

Old Age, Disability, Death

First law: 1919.

Current laws: 1952, 1965, 1968, 1974, 1975, 1978, 1980, 1981, 1984, 1992 and 1995.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 1,671 lire.

One euro equals 1,936.27 lire.

Coverage

Employed persons (including domestic employees). Special systems for industrial managers, liberal professions, railway employees, public utilities, air transport workers, journalists, civil servants, self-employed artisans, merchants, and self-employed farmers.

Source of Funds

Insured person: 8.89% of earnings for earnings up to 65,280,000 lire per year; 9.9% for earnings exceeding that amount.

Employer: 23.81% of payroll.

In addition, employers in certain industries pay a special contribution. Employers in certain economically distressed areas are relieved of part of contribution.

Government: Full cost of means-tested allowance and any overall deficit.

Minimum earnings for contribution purposes: 67,474 lire a day for workers in industry, or, if higher, minimum wage. Minimum wage is established by sector and by category through collective bargaining. No maximum earnings for contribution or benefit purposes except for newly insured as of January 1, 1999: 141,991,000 lire.

Qualifying Conditions

Old-age pension: Divided into 3 categories:

- 1 New entrants to the labor force as of 1996. Age 57 and 5 years of contribution. Retirement necessary. No seniority pension.
- 2 Insured persons with less than 18 years of coverage under the old law. As of January 1, 1999, age 64 (men) or 59 (women) and 19 years of coverage. As of January 1, 2000, age 65 (men) or 60 (women) and 19 years of contributions. As of January 1, 2001, age 65 (men) and 60 (women) with 20 years in 2001. Seniority pension: As of January 1, 1999, age 55 and 35 years of contributions; in 2002, 40 years of contributions, or age 57 and 35 years of contributions.
- 3 Insured persons with more than 18 years of coverage under the old law. Same as category two except that 15 years of contributions must have been prior to 1992. Seniority pension: As from January 1, 1999, age 55 and 35 years of contributions gradually rising to 40 years in 2008.

Child-care credit: 170 days of contributions credited to mother caring for child under age 6. Up to 25 days of contributions if caring for a child over age 6, up to a maximum of 4 months per year.

Disability pension: Total (more than two-thirds) and permanent inability to perform any work. 5 years of contribution, including at least 3 years in 5 years preceding application.

Disability pensions are subject to an income test (3 times

minimum pension).

Disability allowance: Loss of 2/3 working capacity. Contribution requirements same as for disability pension.

Survivor pension: Income-tested. Deceased was pensioner at death, or met disability pension requirements at death.

Old-Age Benefits

Old-age pension:

- 1 For category 1: pension based on amount of accumulated contributions times coefficient that varies according to age, ranging from 4.72 at age 57 to 6.136 at age 65.
- 2 For category 2: Service prior to December 1995 based on progressive percentage (0.9 to 2) of salary times years of contributions. Service after December 1995 is the same as category 1.
- 3 For category 3: Based on progressive percentage (0.9 to 2) of salary times years of contributions.

Minimum pension: 709,550 lire a month.

Schedule of payments: Monthly with a 13th payment in December.

Means-tested old-age benefit (social pension): Up to 615,800 lire a month payable at age 65, if resident citizen (13 payments a year).

Adjustment: Annual adjustment of pensions based on average increase in gross domestic product within the last 5 years.

Permanent Disability Benefits

Disability pension: Same as old-age pension plus increment based on number of years until normal pension age. Benefit reduced 25% if beneficiary earns equivalent of 4-5 times the minimum annual social security pension; reduced 50% for earnings that exceed 5 times.

Minimum pension: 709,550 lire a month.

Constant-attendance supplement: Up to 700,000 lire a month (adjusted biennially).

Disability allowance: Same as old-age pension. Payable for 3-year period. After 2 redeterminations of disability, the benefit becomes permanent.

Schedule of payments: Monthly, with a 13th payment in December.

Adjustment: Annual adjustment of pensions based on average increase in gross domestic product within the last 5 years.

Survivor Benefits

Survivor pension: 75% of pension paid or accrued to insured for those with earnings of 3-4 times the annual minimum social security pension. 60% for those earnings between 4-5 times annual minimum social security pension; 50% for those earnings above 5 times annual minimum social security pension. Benefit equal to 70% if young, dependent child, student or disabled.

Maximum survivor pensions: 100% of pension of insured.

Lump sum death benefit: 43,200 lire to 129,600 lire if survivor ineligible for pension.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision.

National Social Insurance Institute, administration of program through its branch offices; managed by tripartite governing body.

Separate institutes or funds administer special systems.

Sickness and Maternity

First laws: 1912 (maternity), 1927 (tuberculosis), and 1943 (sickness).

Current laws: 1950 and 1971 (maternity), 1962 (sickness), 1970 (tuberculosis), 1974, 1978 (National Health Service), 1980 and 1987 (maternity for self-employed women).

Type of program: Dual social insurance (cash benefits) and universal (medical care) systems.

Coverage

Cash sickness and maternity benefits: Employed persons.

Medical benefits: All residents.

Source of Funds

Insured person: None.

Employer: Sickness—None. Tuberculosis—0.21% of payroll.

Government: Various subsidies, plus portion of contributions due from employers.

Qualifying Conditions

Cash sickness and maternity benefits: Currently covered.

Tuberculosis benefits: 1 year of contributions.

Medical benefits: No minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 50% of earnings for 1st 20 days; 66-2/3% thereafter. Payable after 3-day waiting period for up to 180 days (longer in special cases).

Tuberculosis benefit: Payable while receiving institutional care, if treated for 60 days or more, and up to 2 years after treatment at the rate of 50% of earnings beginning with the 21st day to the 180th day and at the rate 66.66 thereafter.

Maternity benefit: 80% of earnings, payable for up to 2 months before and 3 months after confinement. Additional 6 months' leave for either parent at 30% of earnings.

Workers' Medical Benefits

Medical benefits: Services provided by doctors and druggists under contract with and paid directly by National Health Service, and by hospitals, which are mostly public.

Includes general and specialist care, hospitalization, prescribed medicines, dental care, attendance of midwife or doctor at confinement, specified appliances, and spa treatment.

Tuberculosis care includes curative and convalescent care in sanatorium, post-sanatorium care, and rehabilitation.

Patient's copayment for certain prescribed medicines and hospital tests, waived for low income and the disabled. Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Health, general supervision.

National Social Insurance Institute, administration of cash sickness and maternity benefits.

National Health Service administered by 20 regional health authorities and locally by area health authorities.

Work Injury

First law: 1898.

Current law: 1965.

Type of program: Social insurance system.

Coverage

Manual workers, nonmanual employees in dangerous work, and self-employed in agriculture. Special system for seamen.

Source of Funds

Insured person: None.

Employer: 0.5% to 16% of payroll, according to risk.

Average basic rate for industrial workers: 3.0%.

Government: None.

Minimum earnings for benefit purposes: 19,401,000 lire; maximum, 36,031,000 lire per year.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 60% of earnings for first 90 days of disability; 75% thereafter. Payable after 3-day waiting period (during which employer must pay benefit).

Permanent Disability Benefits

Permanent disability pension: 100% of earnings if totally disabled.

Constant-attendance supplement: 639,000 lire a month.

Dependents' supplements: 5% of pension for wife and each child under age 18 (26 if student, no limit if disabled).

Partial disability: If 11%-79% disabled, pension proportionate to degree of incapacity. If 80%-100% disabled, full pension.

Adjustment: Automatic adjustment of pensions annually if at least 10% change in average daily wage in industry.

Workers' Medical Benefits

Medical benefits: Medical, surgical, and hospital care, appliances, and rehabilitation.

Survivor Benefits

Survivor pension: 50% of earnings of insured, payable to surviving spouse. Orphans: 20% of earnings for each orphan under age 18 or disabled, or 40% if full orphan. Parent (in absence of above): 20% of earnings for each parent.

Maximum survivor pensions: 100% of earnings of insured.

Survivor grant: Lump sum up to 2,560,000 lire, to survivors or individual who paid the funeral expenses.

Administrative Organization

Ministry of Labor and Social Welfare, general supervision.

National Accident Insurance Institute, administration of program through provincial offices; managed by tripartite governing body. National Health Service, general administration of medical benefits. Separate funds administer special systems.

Unemployment

First law: 1919.
Current laws: 1939, 1968, 1970, 1975, 1988 and 1991.
Type of program: Compulsory insurance system.

Coverage

Employees in private employment. Workers in construction also covered for special supplementary benefit.

Source of Funds

Insured person: None.

Employer: 1.61% (industrial managers) or 1.91% (industry and commerce) of payroll. Industrial employers also pay 0.3% (0.8% in construction) of payroll for special unemployment and 2.2% of payroll (1.9% for firms with less than 50 workers) for wage supplement fund.

Government: Administrative costs plus subsidies for agricultural workers, youth employment, and wage supplement fund. Minimum earnings for contribution purposes: 67,474 lire a day for workers in industry. No maximum.

Qualifying Conditions

Unemployment benefit: 2 years of coverage with 52 weeks of contribution in last 2 years. Construction workers: 43 weeks of contributions during 2 years of employment in sector. Mobility insurance: Industrial workers with at least 1 year of insurance and 6 months of employment. Registered at employment office, capable of and available for work. Unemployment not due to voluntary leaving, dismissal for misconduct, or refusal of suitable offer or prescribed training (disqualification for 30 days). Wage supplement: Partially unemployed under circumstances specified by law.

Unemployment Benefits

Unemployment benefit: 30% of wage, payable after 7-day waiting period. Maximum duration: 180 days. Special benefit in construction: 80% of salary for 1 to 4 years depending on worker's age and location of employing firm.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision. National Social Insurance Institute, administration of program through its branch offices. Also administers wage supplement fund. Placement offices receive, investigate, and pay claims (except for mobility insurance which is paid through the National Social Insurance Institute).

Family Allowances

First law: 1937.
Current laws: 1961, 1965, 1970, 1974, 1980, 1983 and 1988 (Reform of Family Benefits Scheme).
Type of program: Employment-related system.

Coverage

Employees and social insurance, welfare and unemployment beneficiaries with 1 or more children or other dependents. Special systems for self-employed and pensioners of special systems.

Source of Funds

Insured person: None.

Employer: 2.48% of payroll.

Government: Various subsidies.

Minimum earnings for contribution purposes: 67,474 lire a day or, if higher, minimum wage.

Qualifying Conditions

Family allowances: Spouse dependent on insured; children must be under age 18 (no limit if disabled); brothers and sisters, nieces and nephews must be orphans or dependents under age 18, (no limit if disabled) and not eligible for survivor pension. Separate provisions for self-employed and formerly self-employed pensioners.

Family Allowance Benefits

Family allowances: The amount varies in relation to the size and income of the family from 20,000 to 1,869,000 lire for up to 7 children.

Supplements for larger families: 10% and 104,000 for each additional child. Income ceilings increased for single-parent families and for families with at least one totally disabled member. Separate provisions for self-employed agricultural workers, self-employed and formerly self-employed pensioners. Adjustment: Annual adjustment of pensions based on average increase in gross domestic product within the last 5 years.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision. National Social Insurance Institute, administration of program through Central Family Allowances Fund. Individual employers pay allowances directly to own employees (except in agriculture) and settle surplus or deficit of contributions due with local branch of Institute.